



Senate

General Assembly

February Session, 2014

File No. 128

Senate Bill No. 290

Senate, March 26, 2014

The Committee on Public Safety and Security reported through SEN. HARTLEY, J. of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING TUITION RAFFLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 7-185b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2014*):

3 (a) As used in this section, "tuition raffle" means a raffle in which
4 the prize is payment of the tuition or part of the tuition at an
5 educational institution or payment of a student loan or part of a
6 student loan for a student recipient designated by the raffle winner.

7 (b) Notwithstanding the provisions of sections 7-170 to 7-186,
8 inclusive, any organization qualified to conduct a bazaar or raffle
9 under section 7-172 may conduct a special tuition raffle once each
10 calendar year. The Commissioner of Consumer Protection shall adopt
11 such regulations, in accordance with chapter 54, as are necessary to
12 carry out the provisions of this section. Said regulations shall (1) allow
13 [(1)] any organization permitted to conduct a special tuition raffle to

14 fund all or a [portion] part of a student recipient's education or to pay
15 all or part of a student recipient's student loan each year for a period
16 not to exceed four years, (2) permit the student recipient to be the
17 actual tuition raffle winner, a relative of the raffle winner or a student
18 chosen by the raffle winner, (3) give authority to the sponsoring
19 organization to permit the tuition prize to be divided among student
20 recipients designated by the raffle winner, (4) provide that the tuition
21 prize be paid each consecutive year, commencing with the first year of
22 the student recipient's education at an accredited private or parochial
23 school, or public or independent institution of higher education
24 selected by the student recipient, (5) provide that the tuition prize be
25 paid directly to the educational institution or financial institution that
26 made the student loan designated by the student recipient, and no
27 tuition prize shall be redeemed or redeemable for cash, and (6) provide
28 that the tuition raffle winner have a period not to exceed four years to
29 designate a student recipient. For purposes of this section, "financial
30 institution" means a bank, as defined in section 36a-2, an out-of-state
31 bank, as defined in section 36a-2, a Connecticut credit union, as
32 defined in section 36a-2, an out-of-state credit union, as defined in
33 section 36a-2, an institutional lender, any subsidiary or affiliate of such
34 bank, out-of-state bank, Connecticut credit union, out-of-state credit
35 union or institutional lender, or other lender licensed by the
36 Department of Banking.

37 (c) All proceeds of the special tuition raffle shall be deposited in a
38 special dedicated bank account approved by the Commissioner of
39 Consumer Protection, and all special tuition raffle expenses shall be
40 paid from such account. The commissioner shall prescribe the
41 maintenance of tuition raffle accounts by any sponsoring organization
42 and such accounts shall be subject to audit by the commissioner or a
43 designee. The commissioner may require any organization conducting
44 a tuition raffle to post a performance bond in an amount sufficient to
45 fully fund the special tuition raffle prize to be awarded.

46 (d) Any organization permitted to conduct a special tuition raffle
47 shall file a tuition raffle financial report in a manner prescribed by the

48 commissioner. Such report shall detail the status of the tuition prize
49 money or the raffle and any other information that the commissioner
50 may require, on a quarterly basis, during the months of January, April,
51 July and October, until all tuition or student loan payments for each
52 special tuition raffle have been paid.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2014	7-185b

PS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

There is no cost to the Department of Consumer Protection to update regulations to allow qualified organizations that hold special tuition raffles and offer as prizes, full or partial student loan payments for student recipients designated by the winners, as the agency has expertise in this area.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**SB 290*****AN ACT CONCERNING TUITION RAFFLES.*****SUMMARY:**

This bill allows qualified organizations that hold special tuition raffles to offer, as prizes, full or partial student loan payments for student recipients designated by the winners. It requires the Department of Consumer Protection (DCP) commissioner to adopt regulations to (1) allow any organization permitted to conduct a special tuition raffle to pay all or part of a student recipient's student loan each year for up to four years and (2) provide that the tuition prize be paid directly to the financial institution that made the student loan.

Under the bill, a financial institution includes a bank, out-of-state bank, Connecticut credit union, out-of-state credit union, institutional lender, and any subsidiary or affiliate of such institutions, or other Department of Banking-licensed lender.

EFFECTIVE DATE: October 1, 2014

BACKGROUND***Tuition Raffles***

By law, qualified organizations may conduct special tuition raffles once each calendar year and award full or partial tuition payments as prizes. Special tuition raffle proceeds must be deposited in a special dedicated bank account to pay the raffle expenses. The DCP commissioner must approve the accounts, which are subject to DCP audit, and prescribe how sponsoring organizations maintain them. The commissioner may require organizations to post a performance bond to fully fund prizes.

Organizations that conduct tuition raffles must file quarterly tuition raffle financial reports as the commissioner prescribes, as well as verified financial reports. The reports must detail the status of the tuition prize money or raffle and any other information the commissioner requires. They are due in January, April, July, and October, until the organization makes all the tuition payments for each special raffle.

Organizations Qualified to Conduct Tuition Raffles

The law allows the following to conduct, operate, or sponsor raffles if the municipality where they are located has adopted the Bazaars and Raffles Act: veterans, religious, civic, fraternal, educational, and charitable organizations; volunteer fire companies; and political parties and their town committees. Raffles may also be promoted and conducted if sponsored by towns acting through a designated centennial, bicentennial, or other centennial celebration committee.

Related Bill

sSB 100 (File 55), reported favorably by the Public Safety and Security Committee, (1) changes the initial governmental entity to which an organization submits its bazaar or raffle license application and fees, from the local municipality to DCP; (2) allows, with written approval, organizations to hold raffles outside of the permitted municipality; and (3) allows organizations to use all types of advertisements.

COMMITTEE ACTION

Public Safety and Security Committee

Joint Favorable

Yea 24 Nay 0 (03/11/2014)